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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

TITANIUM BLOCKCHAIN
INFRASTRUCTURE SERVICES,
INC.; EHI INTERNETWORK AND
SYSTEMS MANAGEMENT, INC.
aka EHI-INSM, INC.; and MICHAEL
ALAN STOLLERY aka MICHAEL
STOLLAIRE,

Defendants.

Case No. CV18-4315-DSF (JPRx)

**JUDGMENT AS TO DEFENDANT
TITANIUM BLOCKCHAIN
INFRASTRUCTURE SERVICES, INC.**

The Securities and Exchange Commission having filed a Complaint and Defendant Titanium Blockchain Infrastructure Services, Inc. having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means

1 or instruments of transportation or communication in interstate commerce or of the
2 mails to sell such security through the use or medium of any prospectus or otherwise;

3 (b) Unless a registration statement is in effect as to a security, carrying or causing to be
4 carried through the mails or in interstate commerce, by any means or instruments of
5 transportation, any such security for the purpose of sale or for delivery after sale; or
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7 (c) Making use of any means or instruments of transportation or communication in
8 interstate commerce or of the mails to offer to sell or offer to buy through the use or
9 medium of any prospectus or otherwise any security, unless a registration statement
10 has been filed with the Commission as to such security, or while the registration
11 statement is the subject of a refusal order or stop order or (prior to the effective date
12 of the registration statement) any public proceeding or examination under Section 8
13 of the Securities Act [15 U.S.C. § 77h].
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15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal
16 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
17 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers,
18 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation
19 with Defendant or with anyone described in (a).
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21 IV.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
23 shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant
24 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act
25 [15 U.S.C. § 78u(d)(3)]. The Court shall determine the amounts of the disgorgement and civil
26 penalty upon motion of the Commission. Prejudgment interest shall be calculated from November
27 2017, based on the rate of interest used by the Internal Revenue Service for the underpayment of
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1 federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's
2 motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a)
3 Defendant will be precluded from arguing that he did not violate the federal securities laws as
4 alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Final
5 Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be
6 accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the
7 motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative
8 testimony, and documentary evidence, without regard to the standards for summary judgment
9 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the
10 Commission's motion for disgorgement and/or civil penalties, the parties may take discovery,
11 including discovery from appropriate non-parties.
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14 V.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
16 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant
17 shall comply with all of the undertakings and agreements set forth therein.

18 VI.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
20 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.
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22 IT IS SO ORDERED.

23 Date: May 23, 2019



24 Dale S. Fischer

25 United States District Judge
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